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Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	FILE NO. 21131
)	
THE COMMISSIONER OF BUSINESS)	SETTLEMENT AGREEMENT
OVERSIGHT,)	
)	
Complainant,)	
)	
v.)	
)	
StoreFront Lenders, LLC a.k.a.)	
StoreFrontLender.com a.k.a.)	
DOT818.com a.k.a. Dot818,)	
)	
Respondent.)	

This Settlement Agreement is entered into between StoreFront Lenders, LLC a.k.a. StoreFrontLender.com a.k.a. DOT818.com a.k.a. Dot818 (StoreFront Lenders), and the Commissioner of Business Oversight (Commissioner), and is made with respect to the following facts:

RECITALS

A. At all relevant times, StoreFront Lenders is a California limited liability company incorporated on or around November 14, 2011, with a principal place of business located at 1111 North Brand Boulevard, Suite 401, Glendale, California 91202.

B. From in or around 2013 through 2014, StoreFront Lenders operated the website, www.storefrontlender.com, which advertised, “Local Internet Leads Delivered To Your Store Front,” and displayed the telephone number (855) 478-6733. Starting from in or around 2015, StoreFront Lenders operated the website, www.dot818.com, which advertises, “With dot818, you can consistently improve your ROI as you buy or sell online traffic in short-term, installment, small business, or personal loans,” and displays the telephone number (818) 844-3900.

C. The Commissioner has jurisdiction over deferred deposit transactions as set forth in the California Deferred Deposit Transaction Law (Fin. Code, § 23000 *et seq.*) (CDDTL). “Deferred deposit transactions,” commonly referred to as “payday loans” or “payday advances,” means a transaction whereby a person defers depositing a customer’s personal check until a specific date, pursuant to a written agreement for a fee or other charge.

D. The Commissioner also has jurisdiction over the licensing and regulation of finance lenders and brokers in the State of California pursuant to the California Financing Law¹ (Fin. Code, § 22000 *et seq.*) (CFL).

E. StoreFront Lenders has never obtained any license under the CDDTL or CFL.

F. On July 14, 2017, the Commissioner issued Desist and Refrain Orders Pursuant to Financial Code Sections 23050 and 22712; and Citations Pursuant to Financial Code Sections 23058 and 22707.5 (Orders), which are attached hereto as Exhibit A and incorporated herein by this reference. On or about July 24, 2017, StoreFront Lenders was served with the Orders.

G. On or about August 21, 2017, StoreFront Lenders requested a hearing regarding the Orders. StoreFront Lenders hereby withdraws its request for a hearing.

¹ Effective October 4, 2017, the name of the “California Finance Lenders Law” changed to the “California Financing Law.” (Assem. Bill No. 1284 (2017-2018 Reg. Sess.) § 4.) For purposes of this document, a reference to the California Financing Law means the California Finance Lenders Law before October 4, 2017 and the California Financing Law on and after that date. (Fin. Code, § 22000.)

1 H. StoreFront Lenders admits to the jurisdiction of the Commissioner, consents to entry
2 of this Settlement Agreement and agrees to comply with its terms but does not admit or deny any of
3 the violations of law found by the Commissioner herein.

4 I. StoreFront Lenders indicated its intent to cooperate fully with the Department of
5 Business Oversight (Department) to resolve the violations alleged in the Orders.

6 J. It is the intention and desire of the parties to resolve this matter without the necessity
7 of a hearing and/or other litigation.

8 TERMS AND CONDITIONS

9 1. Purpose. This Settlement Agreement is entered into for the purpose of judicial
10 economy and expediency, and to avoid the expense of a hearing and possible further court
11 proceedings.

12 2. Waiver. StoreFront Lenders acknowledges its right to an administrative hearing
13 under the CDDTL and CFL in connection with the Orders. StoreFront Lenders hereby waives its
14 right to a hearing, and to any reconsideration, appeal, or other rights which may be afforded
15 pursuant to the CDDTL, CFL, the California Administrative Procedure Act, the California Code of
16 Civil Procedure, or any other provision of law in connection thereto.

17 3. Final Orders. StoreFront Lenders agrees that the Orders are hereby deemed final
18 orders. Storefront Lenders agrees to pay the Citations Pursuant to Financial Code sections 23058
19 and 22707.5 totaling \$5,000.00 immediately upon StoreFront Lenders' signing of this Settlement
20 Agreement and shall be made payable to the Commissioner in the form of a cashier's check or
21 Automated Clearing House deposit to the "Department of Business Oversight," and transmitted to:
22 Accounting – Enforcement Division, Department of Business Oversight, 1515 K Street, Suite 200,
23 Sacramento, California 95814, contemporaneously with notice of transmittal to Sophia C. Kim at
24 Sophia.Kim@dbo.ca.gov.

25 4. Full and Final Settlement. The parties hereby acknowledge and agree that this
26 Settlement Agreement is intended to constitute a full, final and complete resolution of the Orders
27 and that no further proceedings or actions will be brought by the Commissioner in connection with
28 the Orders under the CDDTL, CFL, or any other provision of law, excepting therefrom any

1 proceeding or action if such proceeding or action is based upon facts not presently known to the
2 Commissioner and which were actively concealed from the Commissioner by StoreFront Lenders.
3 The parties agree that entering into this Settlement Agreement will not automatically result in the
4 denial of any future application for licensure under the CDDTL and/or CFL by StoreFront Lenders,
5 its heirs, assigns and/or successors in interest.

6 5. Commissioner's Duties. The parties hereby acknowledge and agree that nothing
7 contained in this Settlement Agreement shall operate to limit the Commissioner's ability to assist
8 any other agency, (city, county, state or federal) with any prosecution, administrative, civil or
9 criminal, brought by any such agency against StoreFront Lenders or any other person based upon
10 any of the activities alleged in the Orders or otherwise.

11 6. Independent Legal Advice. Each of the parties represents, warrants, and agrees that
12 it has received independent advice from its attorney(s) and/or representatives with respect to the
13 advisability of executing this Settlement Agreement.

14 7. Full Integration. Each of the parties represents, warrants, and agrees that in
15 executing this Settlement Agreement it has relied solely on the statements set forth herein and the
16 advice of its own counsel and/or representative. Each of the parties further represents, warrants,
17 and agrees that in executing this Settlement Agreement it has placed no reliance on any statement,
18 representation, or promise of any other party, or any other person or entity not expressly set forth
19 herein, or upon the failure of any party or any other person or entity to make any statement,
20 representation or disclosure of anything whatsoever. The parties have included this clause: (1) to
21 preclude any claim that any party was in any way fraudulently induced to execute this Settlement
22 Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or
23 contradict the terms of this Stipulation.

24 8. Final Agreement. This Settlement Agreement is the final written expression and the
25 complete and exclusive statement of all the agreements, conditions, promises, representations, and
26 covenants between the parties with respect to the subject matter hereof, and supersedes all prior or
27 contemporaneous agreements, negotiations, representations, understandings, and discussions
28

1 between and among the parties, their respective representatives, and any other person or entity, with
2 respect to the subject matter covered hereby.

3 9. Binding. This Settlement Agreement is binding on all heirs, assigns and/or
4 successors in interest.

5 10. Third Party Actions. This Settlement Agreement does not create any private rights
6 or remedies against StoreFront Lenders, create any liability for StoreFront Lenders, or limit
7 defenses of Storefront Lenders for any person or entity not a party to this Settlement Agreement.

8 11. Presumption from Drafting. In that the parties have had the opportunity to draft,
9 review and edit the language of this Settlement Agreement, no presumption for or against any party
10 arising out of drafting all or any part of this Settlement Agreement will be applied in any action
11 relating to, connected to, or involving this Settlement Agreement. Accordingly, the parties waive
12 the benefit of California Civil Code section 1654 and any successor or amended statute, providing
13 that in cases of uncertainty, language of a contract should be interpreted most strongly against the
14 party who caused the uncertainty to exist.

15 12. Voluntary Agreement. StoreFront Lenders enters into this Settlement Agreement
16 voluntarily and without coercion and acknowledges that no promises, threats or assurances have
17 been made by the Commissioner or any officer, or agent thereof, about this Settlement Agreement.

18 13. Waiver, Modification, and Qualified Integration. The waiver of any provision of this
19 Settlement Agreement shall not operate to waive any other provision set forth herein, and any
20 waiver, amendment and/or modification to the terms of this Settlement Agreement must be in
21 writing and signed by the parties.

22 14. Headings and Governing Law. The headings to the paragraphs of this Settlement
23 Agreement are inserted for convenience only and will not be deemed a part hereof or affect the
24 construction or interpretation of the provisions hereof. This Settlement Agreement shall be
25 construed and enforced in accordance with and governed by California law.

26 15. Effective Date. This Settlement Agreement shall become final and effective when
27 signed by all parties and delivered by the Commissioner's counsel by email to StoreFront Lenders'
28 counsel at DSands@sheppardmullin.com.

16. Counterparts. The parties agree that this Settlement Agreement may be executed in one or more separate counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall together constitute and be one and the same instrument.

17. Public Record. StoreFront Lenders acknowledges that this Settlement Agreement is a public record.

18. Authority to Execute. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement.

Dated: 6/29/18

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: 6/28/18

StoreFront Lenders, LLC a.k.a. StoreFrontLender.com a.k.a. DOT818.com a.k.a. Dot818

By _____
DAVID TONAYAN
President

APPROVED AS TO FORM AND CONTENT:

DAVID SANDS
Sheppard Mullin Richter & Hampton LLP
Counsel for StoreFront Lenders, LLC a.k.a.
StoreFrontLender.com a.k.a. DOT818.com a.k.a. Dot818